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## **President Shelly and Branch Chiefs Address UUFB Budget Deficit**

*\$152 million FY 2012 general funds revenue allocation*

**Window Rock, AZ**—Navajo Nation President Ben Shelly announced plans to fix the Navajo Nation's (Nation) Unreserved Undesignated Fund Balance (UUFB), which is approximately \$22 million in deficit, in a joint agreement with Navajo Chief Justice Herb Yazzie and Council Speaker Johnny Naize, on Friday. President Shelly's main priority is to meet the 10% statutory amount required for funds to remain in the UUFB.

"As leaders, we are moving forward to get our Nation out of deficit with next year's budget. The UUFB is in the red and we need to get back on our feet, stabilize and continue delivering direct services to our people," stated President Shelly.

Based upon the \$170 million revenue projection for FY 2012, the three branch chiefs requested the Department of Justice draft an agreement that allocates a base general funds budget of \$152 million with general wage adjustments. In addition, postpone further budget processing until the remaining \$18 million in UUFB statutory requirements are met.

President Shelly commended the branch chiefs for their responsible leadership, "We had serious discussions and made tough decisions. We demonstrated fiscal responsibility and acted in good faith when considering the future of the Nation and our people. We are united in agreement for the FY 2012 general funds budget."

According to the Office of Management and Budget, the agreement by the branch chiefs sets a general funds budget of \$152,557,983 for FY 2012 and included general wages adjustments for all three branches. Next fiscal year's budget includes \$105,007,940 for the executive branch, \$13,058,652 for the legislative branch, \$13,239,052 for the judicial branch, \$17,252,339 for fixed costs, and \$4,000,000 for capital costs.

Next week, the Navajo Council's Budget and Finance Committee will review the agreement recommended by President Shelly and branch chiefs.

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